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**MMARS Policy: Cost Accounting**

**Issue Date: July 1, 2004**

**Date Last Revised: November 1, 2006 (See [Revisions](#) for details.)**

## **Policies and Procedures for Establishing a Federal Grant in MMARS**

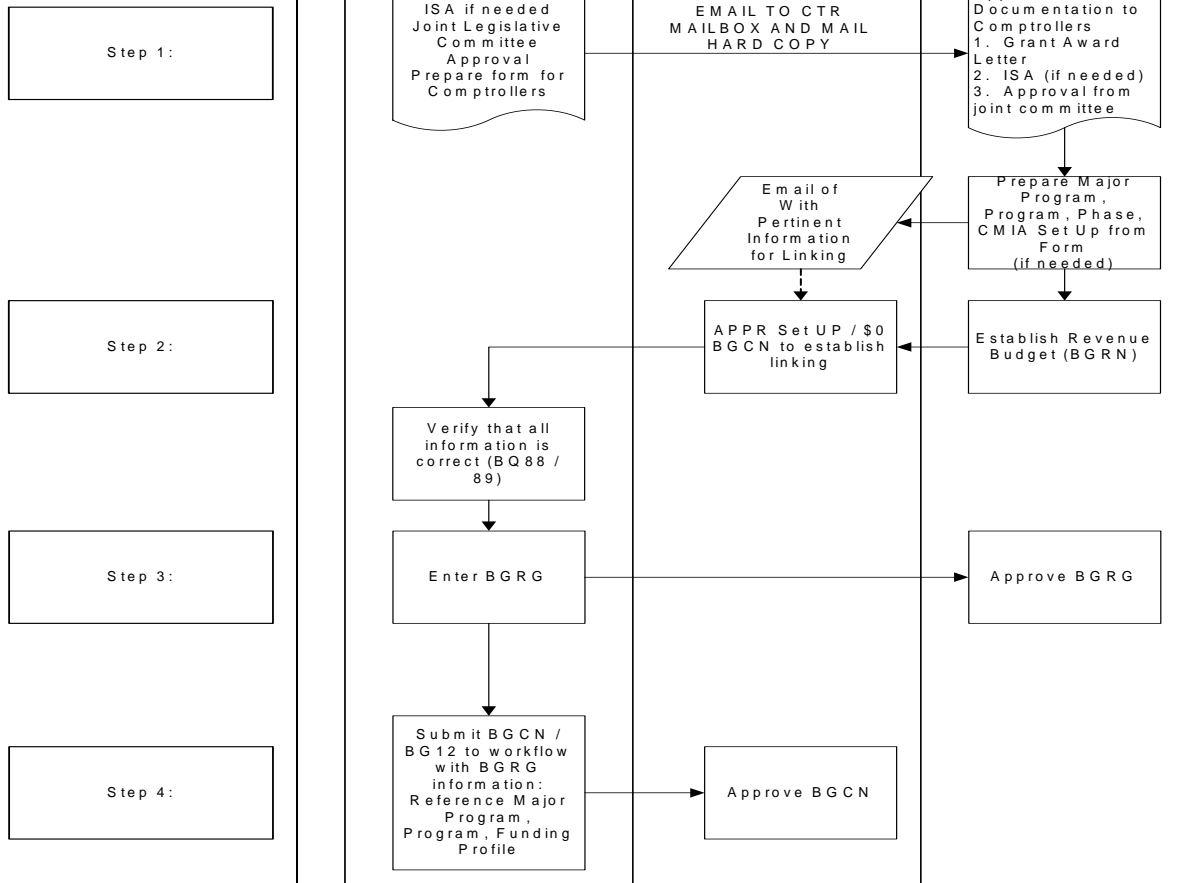
### **Executive Summary**

Massachusetts Chapter 29, Section 6B (Federal grant funds) and Administrative Bulletin A & F-3 (Federal Grant Administration) provide the authorization and guidance for the participation of a department to apply or participate in a federal grant. This law regulates the policy and procedures that departments must follow prior to going through the federal application process. It covers the main aspects of the "notification to apply" process. Administrative Bulletin A & F-3, Federal Grant Administration, outlines the requirements of Chapter 29:6B in a more readable and useable format. It also identifies standardized forms that may be used to facilitate the notification of intent to apply, as well as the actual application process to the Federal Government.

There are 3 categories of federal grant setup activities in MMARS:

1. a new federal grant
2. a continuing federal grant
3. ISA federal grant

# New MMARS - Grants Process - REVISED 9/21/2004



## Considerations

None

## Policy

### Establishing a New Direct Grant

Once a federal grant award has been received, the department must perform the following steps:

STEP 1. Department completes and forward the Federal Grant Award Package to OSC. This must include: (1) the Request for Setting-up Federal Grants Form (hardcopy), (2) Federal Grant Award letter, (3) approval letter from Committee on Homeland Security and Federal Affairs and (4) approval letter from Federal Financial Assistance Committee. The package should be forwarded to the Office of the Comptroller (OSC), Revenue Bureau, One Ashburton Place, 9th Floor, Boston, MA 02108 Attn: Federal Grant Processing. \*\* The Request for Setting-up Federal Grants Form (electronic copy) will be emailed to an OSC Federal Grants email address.

STEP 2. The Office of the Comptroller (OSC) will then (enter or ensure) that all the required data elements are entered on the following tables in MMARS:

- Major Program Table,
- Program Period Table
- Program Table Set-up Table
- CMIA set-up Table,
- Funding Profiles Table,
- Funding Priority Table,
- Funding Line Table
- Grant Funding Profile Inference Table<sup>1</sup>

STEP 3. OSC will enter the revenue source code and process the BGRN (Central Revenue BQ82) document to a done status

STEP 4. OSC will add the revenue source code to the Request for Setting-up Federal Grants Form and email the completed form to Executive Office of Administration and Finance (ANF) and the department.

STEP 5. ANF will create the appropriation account. In addition, ANF will enter and approve a \$0.00 BGCN that will link the appropriation account to the revenue account. ANF will then email OSC and the departments to notify them the grant accounting structure has been established in MMARS.

STEP 6. Departments will review all required data elements ensure the central and the grant structure has been established correctly.

STEP 7. Departments will enter the BGRG (Reimbursable Grant BQ88) for total dollar value of lifetime of grant. Once the BGRG has processed to a pending status it will workflow to OSC for approval. When completing the BGRG documents, department must reference the grant structure data elements: Department, Major Program, Program, Funding Profile, Funding Priority and Funding Line.

STEP 8. Departments will enter a modifying BGCN document. This BGCN will be for the current state fiscal year spending estimate.

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<sup>1</sup> Certain Departments are piloting greater security access to these tables. Further release to other departments is in the process of being determined.

STEP 9. Department will then email to **OSC-DL-XXXX** the BGRG & BGCN approval request to the OSC Federal Grants email address, noting the document ID numbers for both the BGRG and BGCN transaction ID number.

STEP 10. OSC will process the BGRG document to a done status. OSC will then email confirmation of the BGRG approval and the BGCN document ID to ANF and the department.

STEP 11. ANF will then approve the BGCN document based on the approved BGRG.

### **Instructions for Continuing Grants**

Many established grants receive a new award on an annual basis; these are referred to as Continuing Grants. The following guidance addresses receipts of these types of funds:

- A new Program Code must be established for a new award when a Sub account number changes. This is required because there is systematic one-to-one relationship between program code and sub account identification number.
- It is recommended that a new Program Code be established even if there is no change in sub account. This will allow tracking of the grant by the life of the award.

STEP 1. The Department complete and forward the Federal Grant Award Package to OSC. This must include: (1) the approved Request for Setting-up Federal Grants Form (hardcopy), (2) New Federal Grant Award letter to One Ashburton Place, 9<sup>th</sup> Floor, Boston, MA 02108 Attn: Federal Grant Processing. \*\* The Request for Setting-up Federal Grants Form (electronic copy) will be emailed to **OSC-DL-XXXX**.

STEP 2. The Office of the Comptroller (OSC) will then (enter or ensure) that all the required data elements are entered on the following tables in MMARS:

- Program Table Set-up Table,
- Program Period Table Set-up Table (end date of new Program)
- Grant Funding Profile Inference Table

STEP 3. Departments will enter the BGRG (Reimbursable Grant BQ88) for new total dollar value of lifetime of grant. Once the BGRG has processed to a pending status it will workflow to OSC for approval. When completing the BGRG documents, department must reference the grant structure data elements: Department, Major Program, Program, Funding Profile, Funding Priority and Funding Line.

STEP 4. Department will then email the BGRG approval request to the OSC Federal Grants email address, noting the document ID number for the BGRG

STEP 5. OSC will process the BGRG document to a done status. OSC will then email confirmation of the BGRG approval to the department.

### **Special Instructions**

When a department is aware that a new award is forthcoming, but has not yet received the actual award letter, CTR may at its discretion approve the new Program. The following steps should be taken in such a case:

- A letter of explanation signed by the CFO of the agency should be forwarded to CTR.
- Follow the instructions in Step 2. However, the BGRG should be entered using an expected award amount.
- Once the Award letter is received by the department, it must be forwarded to the Revenue Bureau at CTR. A modifying BGRG should be entered into MMARS, if the actual amount of the award is different than the estimated award.

### **Important Budgetary Note:**

Each year, ANF requests federal grant spending estimates for the current and subsequent state fiscal years. This is done in spending plans, and in follow-up information requests in early December. The estimates for the following year are included in House 1 and routinely flow through the House, Senate and Conference budgets. The GAA estimates for continuing grants are then loaded into MMARS. If the spending estimate provided in December is incorrect, the Budgetary Estimated Receipts should be modified by submitting a BGCN to ANF to reflect the amount of the incremental increase.

### **Establishing an Interdepartmental Service Agreement (ISA) Grant**

These instructions apply to those departments that are Direct Grant Recipient (i.e.-parent) wishing to establish an ISA with another state agency (i.e.-child). . Once the Parent department has established the grant (see Establishing A New Direct Grant section) the Parent must then establish the structure for the child grant. Specifically, these instructions pertain to the Parent department's requirement to establish an appropriation for the Child department (department performing work) within the grant.

STEP 1. The Parent Department completes the Request for Setting-up Federal Grants Form. This will contain all the elements needed to set-up the Central and Reimbursable Grant Structures. An authorized signatory of the agency requesting the new grant or any changes to an existing grant must sign the Grant set-up form forwards a copy of the form and ISA document to the Office of the Comptroller (OSC), Procurement Unit, One Ashburton Place, 9<sup>th</sup> Floor, Boston, MA 02108.

STEP 2. The Comptroller's Revenue Bureau and Procurement Unit will work together to update the Revenue Source table and enter the BGRN document to link the BGCN document.

STEP 3. The Office of the Comptroller (OSC) will then (enter or ensure) that all the required data elements are entered on the following tables in MMARS:

- Major Program Table,
- Program Period Table,
- Program Table Set-up Table,
- CMIA set-up Table,
- Funding Profiles Table,
- Funding Priority Table,
- Funding Line Table
- Grant Funding Profile Inference Table<sup>2</sup>

STEP 4. The Parent departments must enter the Central Expense Structure BGCN document into MMARS using event type (BG12) for both the parent and child lines. The parent department's budget line will be a decrease and the child department's budget line will be an increase.

- Note: The BGRG goes to a pending status and will workflow to the Revenue Bureau for approval and will be processed after the BGCN is put to final status by the Procurement Unit. **Note that there is no Budget Fiscal Year.** This allows for the structure to span multiple fiscal years, lasting for the duration of the contract.

### **Amending an Interdepartmental Service Agreement (ISA) Grant**

- Any **changes** to the Grant Set –up tables as a result of an amendment to an ISA must be requested by completing and submitting the Federal Grant Set-up Form along with a copy of the applicable ISA Amendment to the Office of the Comptroller (OSC), Procurement Unit, One Ashburton Place, 9<sup>th</sup> Floor, Boston, MA 02108.
- Any changes to a Grant Set-up table must be requested by completing and submitting the Federal Grant Set-up Form with documentation to the Comptroller's Office.
- Departments **MUST** notify the Comptroller's office when a grant is complete in order for proper deactivation. If there are any excess funds, these funds must be returned to the granting agency immediately so that the Commonwealth will not incur an interest liability. Any excess funds released from the granting agency to the Commonwealth must be documented by the Department and reported to the Comptroller's office immediately.

### **Reference Notes:**

- The Program Period allows a department to manage their federal grant activity using predefined date range(s). It is recommended that for each approved federal grant that you enter one Program Period using the "life" of the grant dates. It is further recommended that you use the same date range as entered on the Program Period Set-up Table.

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<sup>2</sup> Certain Departments are piloting greater security access to these tables. Further release to other departments is in the process of being determined.

- The appropriate Customer ID from the list below should be entered on the on the Funding Profile - Funding Line - Reimbursement Table. In addition, the appropriate Payment System code should be entered on the Funding Profile - Funding Line - Identification Table.

Draw Name	Customer ID	Payment System Cod
EDCAPS	VC7000000001	D
ECHO	VC7000000002	E
LOCES	VC7000000003	L
SMARTLINK	VC7000000004	S
ASAP- OTHER	VC7000000005	Y
ASAP	VC7000000006	Z
GRANT- NON DRAW	VC7000000007	No Code

## **Internal Controls**

## **Information Sources**

- Links
  - [New Grant \(Non-ISA\) Set Up Form](#)
  - [Continuing Grant \(Non-ISA\) Set Up Form](#)
  - [Interdepartmental Service Agreement \(ISA\) Set Up Form](#)
- Contacts – [CTR Help Desk](#)

## **Revisions**

November 1, 2006 – Removed language referencing Knowledge Center and updated relevant links to Mass.gov portal site.